

SENATE BILL REPORT

SB 6796

As Reported By Senate Committee On:
Economic Development, Trade & Management, February 06, 2008

Title: An act relating to the information required to be reported in the annual economic impact report on lodging tax revenues.

Brief Description: Concerning the information required to be reported in the annual economic impact report on lodging tax revenues.

Sponsors: Senators Fraser, Zarelli and Kastama.

Brief History:

Committee Activity: Economic Development, Trade & Management: 2/5/08, 2/6/08 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: That Substitute Senate Bill No. 6796 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Kauffman, King and Shin.

Staff: Aaron Gutierrez (786-7448)

Background: Lodging tax revenue can be used by local jurisdictions for activities and expenditures designed to increase tourism. Lodging tax revenue may also be used to support tourism-related facilities owned by nonprofit organizations.

Local jurisdictions that use lodging taxes for this purpose must submit an annual report to Community, Trade and Economic Development (CTED). This report must include the total tax revenue, total expenditures, and a list of events and nonprofits that received funding from lodging taxes.

The report must also include the amount of funds expended, the estimated increase in tourism, and the estimated increase in sales and use tax generated by each event or tourism-related facility owned by a nonprofit.

Summary of Bill (Recommended Substitute): The reporting provisions are expanded to include tourism-related facilities owned by local jurisdictions. The provision requiring an estimate of the increase in sales and use taxes is removed. Reporting must begin with the 2008 calendar year.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT COMMITTEE (Recommended Substitute): Rather than insert the phrase "or local jurisdictions," a new clause is inserted that refers to events and tourism-related facilities owned or sponsored by local jurisdictions. Expands the reporting requirements to include tourism-related events and facilities owned or sponsored by nonprofits.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: Last year's bill required reports. This bill cleans up the reporting requirements. Both proponents and opponents of last year's bill agree with the changes. Further clarification of reporting qualifications is needed. The report should consider the use of dollars, and the contribution to "putting heads in beds." The sales tax requirement that was removed wouldn't have provided valuable information

Persons Testifying: PRO: Senator Fraser, prime sponsor; Jim Justin, Association of Washington Cities; Becky Bogard, WACUB; TK Bentler, Washington State Hotel and Lodging Association.